

Claims Department  
9455 SW Gemini Dr. #39525  
Beaverton, OR 97008-7105



Tuesday, July 10, 2018

CSAA Fire & Casualty Insurance Company  
PO BOX 24523  
Oakland CA 94623-1523

Subject: Proof of Loss  
Claim# 1002678208 and Policy# H05-004008561  
Loss Location: 17121 SE 59<sup>th</sup> St, Choctaw, OK 73020 ("Premises")  
Date of Loss: 08/08/2017, Adjusted: TBD

Dear Danielle Perez, Alan Heise, CSAA Fire & Casualty Insurance Company ("AAA"), and To Whom It May Concern:

We are writing to establish the scope of damage with AAA for the above-referenced loss. The 05/22/2018 Mitigation Proof of Loss ("05/22MPOL") is incorporated herein by reference.

On or about 08/08/2017, after a full day of work, Jeffrey Covington arrived home, entering thru the back door, to find portions of wood flooring darkened and discolored by cooled, clear water, having pooled about one-half inch high around the HVAC closet and adjacent rooms. The steps quickly undertaken to mitigate our damages included, but were not necessarily limited to, the following:

- A. HVAC unit shut-off;
- B. Towels used to dry surface water;
- C. Swept debris using a dust pan, and discarded into trash;
- D. Non-motorized, 50-foot plumbing snake used to unclog HVAC condensate line;
- E. Borrowed air mover from a friend;
- F. Ran at least two box fans (including one in the crawlspace), an air mover and ceiling fans for drying;
- G. Restarted A/C and set low temperature for drying;
- H. Continued drying until all the water seen or found was removed;

After having removed all the water we could see or find, we were under the impression the wood floors and subfloor had thoroughly dried out, until 05/12/2018 when we were advised otherwise (based on moisture meter readings) by a professional claims adjuster. Anyone walking thru our house post-drying could not see moisture of any kind on the wood flooring, much less in subfloors; only with the benefit of a moisture meter was any residual moisture detected. Although we knew the wood floors had been visually discolored, we believed the floors would improve naturally, and until 05/12/2018, we were unaware that said Water loss was likely covered by insurance, prompting the instant claim.

Upon careful inspection, it has been determined the structure, as the result of a sudden discharge of water from an air conditioner condensate drain line located in the utility closet, sustained severe water damage to the 5/8<sup>th</sup> inch solid wood flooring and subfloors throughout. Moisture readings indicate high levels of water content underneath floor tiles. Crawl space inspection confirmed severely water damaged subfloors and water staining of the floor joists, both of which support the finish wood and tile flooring. Visual inspection of the point of origin utility closet air intake revealed black-stained, water damaged drywall and subfloor requiring detach and reset of the heat and air unit for access, after which a detailed cleaning with antimicrobial of the entire system is necessary for safety. Moisture readings indicate a 3-day or 4-day dry-out is warranted in the crawl space. In order to affect an efficient drying process, the finish flooring should be removed so a proper dry-out chamber may be installed for the crawl space.

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According to the attached report dated 07/09/2018, Engineer Don Sharp inspected the Premises on or about 06/06/2018 and concludes (in pertinent parts):

"... a water discharge was discovered which had apparently leaked from the central HVAC unit condensate line ... [and] damaged flooring throughout the residence ... [which resulted in] water flow [that] would spread out in the voids between the finish floor and the subfloor and would continue until being absorbed into the wood ... [and] as the wood layers absorbed the water, the finish floor would swell. Because the hardwood surface was constrained laterally, the wood elements expanded vertically. Once the underlying cause of the water damage was corrected, these wooden elements began to dry, contracting both vertically and horizontally (explaining the cracks and gaps in the flooring, in the opinion of this author). As the surface layers dried, the escaping moisture created a loss of finish adhesion, causing the delamination witnessed." Furthermore, "In the opinion of the engineer, the surface flooring will continue to deteriorate as the elements lose moisture content."

It is important to note, considering the denial posture taken by AAA, the engineer was advised that the AAA plumbing expert had cited crawl space condensation on pipes (albeit separated by an air gap) and improper ventilation as contributing factors, despite there being at least 3 vents (including power ventilation). AAA is hereby directed to immediately release copies of any and all expert reports obtained, including but not limited to, the leak detection and wood flooring expert reports.

It is clear, based on several expert opinions including that of an engineer, the sudden discharge of water (witnessed and described above), thru capillary action encouraged by voids underneath the finish floor, resulted first in saturated subfloor before causing the solid wood floor to become severely damaged, primarily bottom-up. In short, severely damaged solid wood floors and subfloor became a foregone conclusion on or shortly after the date of loss; hence, no amount of drying would have fully recovered the flooring system, and in fact, additional drying would have only hastened the inevitable loss of finish adhesion and delamination.

Our total mitigation costs are estimated at \$13,641.32 for the structure as per the public adjuster's mitigation Xactimate estimate and photos package included in the 50-page 05/22MPOL.

Our total replacement cost damages are estimated at \$36,429.17 for the structure, including \$13,641.32 for mitigation and \$600 for the engineer's report, as per the public adjuster's 39-page Xactimate estimate and photos package attached hereto.

Our total loss of use is estimated at \$4,406.96, comprised of 1 month's stay in a 2-bedroom extended stay hotel room, calculated as \$129 per night plus tax based on the attached written quote.

The public adjuster advises, and as you know, Xactimate pricing is industry standard and based on the average retail contractor price for each repair; as long as the estimator scopes the loss accurately, one can use Xactimate pricing to ascertain the appropriate expense range of a proposed repair.

Attached, you will find a Notice of Loss, Notice of Representation, and Loss Drafts Addendum. Pursuant thereto, please immediately: 1) cease direct contact, 2) simultaneously copy the public adjuster on all correspondence, 3) include the public adjuster on all loss drafts as co-payee, and 4) provide the public adjuster with a certified policy copy. Let this also serve as formal notice that all prior authorizations are hereby revoked, whether related to premises repairs, vendor programs, direct payment or an assignment of claims proceeds.

We are not aware of any 1) pertinent time or cause of loss other than as mentioned herein, 2) third-party interests in the property involved other than any mortgagee of record and any interest as named insured, 3) pending legal claims against the property involved in this loss, 4) other insurance which may cover this loss, or 5) changes in title or occupancy of the property, other than those that may have been reported to the agent.

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You are hereby instructed to direct all further correspondence thru the public adjuster by mail:

Claims Department  
9450 SW Gemini Dr. #39525      or  
Beaverton, OR 97008

Claims Department  
c/o Ian's Enterprise, LLC  
9450 SW Gemini Dr. #39525  
Beaverton, OR 97008

We respectfully submit the attached estimate and photos as our proof of loss and formally demand \$36,429.17 for the structure and \$4,406.96 for loss of use or \$40,836.13, less the appropriate depreciation, \$5,000 deductible and prior payment(s), all as mentioned herein.

Sincerely,

Two handwritten signatures, one appearing to be "Jeffrey Covington" and the other "Tammy Covington", are placed side-by-side.

Jeffrey Covington and Tammy Covington

Signed and sworn to before me on this 10 day of July, 2018 by Jeffrey Covington and Tammy Covington.



A handwritten signature of Doreen Rupert is placed next to her official notary stamp.

Doreen Rupert, Notary Public

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